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By David Rogers, Politico

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Call it "pay as you fight."

After months of listening to conservatives caterwaul over deficits and health care, senior House Democrats want a graduated surtax on individuals and corporations to pay for another big drain on the treasury: the Afghanistan war.

Three full committee chairmen — including the House's top tax writer, Ways and Means Committee Chairman Charles Rangel (D-N.Y.) — are backing the initiative together with the chair of the party caucus, Rep. John Larson (D-Conn.), and close allies of Speaker Nancy Pelosi.

The speaker has been silent thus far, and many dismiss the idea as more rhetoric than real legislation. But with President Barack Obama due to make a final decision soon on adding more U.S. troops, the initiative testifies to the growing restlessness among Democrats over the costs of the American commitment in Afghanistan.

Today's jobless rate — far worse than during the height of the Vietnam War in the '60s — adds to this angst. And Rep. John Murtha (D-Pa.), who oversees the Pentagon's budget and supports the

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surtax, went so far as to send Obama last month a copy of Yale historian Paul Kennedy's "The Rise and Fall of the Great Powers."

U.S. military spending in Afghanistan had reached \$3.6 billion a month this summer — or more than \$43 billion a year, according to estimates by the Congressional Research Service. And in the course of meeting with lawmakers, Obama has used a rough measuring stick that every 1,000 troops added will add another \$1 billion to this annual basis.

" We' re not trying to insult anybody. We' re just trying to keep in the forefront what the financial costs are, " House Appropriations Committee Chairman Dave Obey (D-Wis.) told POLITICO. " We felt conscience bound to speak up"

&Idquo;It's conditional, but if we're going to add 40,000 troops, people ought to know what the costs are," said House Financial Services Committee Chairman Barney Frank (D-Mass.). &Idquo;It's important for people to understand how these wars are adding to our deficits."

Dubbed the " Share the Sacrifice Act, " the six-page bill exempts anyone who has served in Iraq or Afghanistan since the 2001 terrorist attacks as well as families who have lost an immediate relative in the fighting. But middle-class households earning between \$30,000 and \$150,000 would be asked to pay 1% on top of their tax liability today — a more sweeping approach than many Democrats have been willing to embrace.

By comparison, Senate Armed Services Committee Chairman Carl Levin (D-Mich.) has spoken only of an added tax on the

wealthy. Senate Appropriations Committee Chairman Daniel Inouye (D-Hawaii) remains hesitant about any surtax to cover the war: "Someone has to demonstrate how it can be done," he told POLITICO in a statement Monday.

The White House

is largely mum. &Idquo;I'm not going to get into how one funds a decision that's yet to be made," press secretary Robert Gibbs said Monday when questioned by reporters on the surtax idea. Yes, Gibbs said there had been White House conversations on how to pay for the war; no about taxing Americans.

"No, that is not a specific proposal that has been talked about in a meeting that I've been at," he said.

As proposed, the tax won't go into effect until 2011, and Obama is given the discretion to delay for another year if he judges that the economy is still too weak to absorb the burden. But the numbers are dramatic as seen in an illustration of what will be needed to cover what could be a war costing \$68 billion next year.

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The basic structure of the surtax is to create three brackets based on the current tax liability for joint or single returns.

The first bracket, which covers joint returns with a liability of up to \$22,600, roughly corresponds with households earning up to \$150,000. In this case a 1 percent surtax is levied so the maximum additional cost would be \$226.

The second bracket applied to tax liability between \$22,600 and \$36,400 or roughly equivalent to joint returns for couples earning between \$150,000 to \$250,000, The third bracket applies to those earning over \$250,000 with a tax liability of \$36,400 or higher.

The rates in the second and third brackets would vary depending on how much needs to be raised to cover the prior year's war expenditures. But as a rule, the added surtax above \$250,000 would be twice the percentage added onto taxes incurred between \$150,000 and \$250,000.

If the costs were \$68 billion, a preliminary rough breakdown provided by Obey's office indicates that about \$8.8 billion in surtax revenues would come from the first bracket, \$9.7 billion from the second, and then \$28.2 billion from the third.

That amounts to an added 10 percent for the high-end income enjoyed by the very rich, and corporations would pay about \$19 billion more altogether toward the surtax. That guarantees substantial resistance then, but Obey argued that the numbers are a warning of the long term economic consequences.

"I went through the Vietnam years when the cost of that damn war drained away the ability to do anything else," he told POLITICO. "I chair the committee that has to say no to effort after effort to rebuild economy."

"I'm not president," he said, "but I can certainly try to influence policy any way I can."

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